

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KYTX OIL & GAS, LLC FOR) CASE NO.
APPROVAL TO OPERATE A FARM TAP SYSTEM) 2011-00507

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KYTX OIL & GAS, LLC

KYTX Oil & Gas, LLC ("KYTX"), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 10 days from the date of this Order. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KYTX shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which KYTX fails or refuses to furnish all or part of the requested information, KYTX shall

provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Provide the number of gas wells involved in serving KYTX's anticipated farm tap customers.

2. Provide the number of customers that KYTX anticipates serving pursuant to KRS 278.485, broken down by residential and commercial customers, along with anticipated sales volumes.

3. KYTX's December 5, 2011 cover letter refers to selling gas to "a commercial vendor." Explain whether KYTX plans to sell to this vendor based on its proposed tariff or based on a rate established by contract between KYTX and the vendor.

4. Provide cost support for the \$10.00 Minimum Bill and \$10.00 per Mcf volumetric rate proposed by KYTX. Include all workpapers, calculations, and other supporting documentation. Include the basis for the commodity cost of gas embedded in the rate and how it was derived; such cost support could include a market estimate such as the NYMEX 12 month strip, a BTU factor that accurately represents the heating content of the gas, and an Appalachian basis, if applicable.

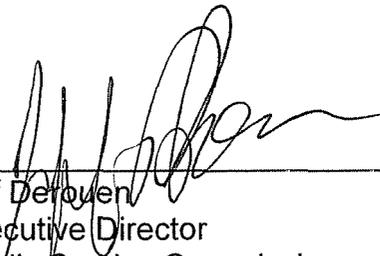
5. The proposed tariff includes a provision for a \$100 deposit for all new accounts. With the proposed commercial minimum bill being \$50 greater than the

proposed homeowner minimum bill, explain whether KYTX intends for the \$100 deposit to be applicable to both residential (homeowner) customers and commercial customers.

6. 807 KAR 5:026, Section 3(3) requires a farm tap company to provide the Commission with a copy of a new customer application form prior to starting service, in order for the Commission to arrange an inspection of the new service line. Service shall not commence until Commission specifications have been met.

a. Explain whether KYTX is aware of this requirement.

b. If KYTX has prepared an application form for new customers, submit the form. If KYTX was not aware of the requirement and/or has not prepared a customer application form, explain when it anticipates it will prepare and submit such a form.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
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DATED JAN 19 2012

cc: Parties of Record

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